

customers whose service will be terminated in accordance with said process is attached hereto and incorporated herein as Attachment A.

2. Upon the date on which cessation of service is effective in accordance with ¶ 1, BOI will submit or caused to be submitted to the local exchange company of each consumer whose account is being terminated a change of preferred carrier or other measures which will ensure that no consumer's service will inadvertently default to carriage over the network of BOI's underlying carrier, Qwest.
3. BOI will reimburse any consumer who complains to DPS and can demonstrate that he or she was billed by Qwest as a result of the failure of measures described in ¶ 2 the full amount billed plus \$100.
4. Within ninety (90) days of Board approval of this agreement, BOI will take the following steps:
 - a. Refund to any Vermont consumer who is now or was at any time a customer of BOI, the full amount of all charges previously collected from any Vermont customer since January 1, 2002.
 - b. Credit to any Vermont customer who is now or was at any time a customer of BOI, the full amount of all charges previously billed to or otherwise unpaid by any Vermont customer since January 1, 2002.
5. BOI will not at any time in the future bill, directly or through a third party, any Vermont customer for any service that was provided by BOI and has not yet been billed.
6. BOI will ensure that no negative credit reports will be made in the future to any

credit agency with respect to any of its customers within the State of Vermont and will take whatever steps are necessary to rescind any negative reports that may have been made in the past.

7. Within ninety (90) days of the date on which BOI ceases service to Vermont consumers, BOI shall file a report with DPS including the following information:
 - a. The number of customers affected.
 - b. The total amount of refunds issued.
 - c. The total amount of credits issued.
8. The Preliminary Injunction issued on August 28, 2002, shall remain in effect until all actions and approvals contemplated by this Stipulation are completed.
9. Upon completion of the migration and all other obligations expressed herein, BOI wishes to and will request revocation of its Certificate of Public Good No. 249-R, issued on June 25, 1996, and wishes to and will withdraw any and all pending tariffs submitted for approval by the Board. The DPS agrees that it will recommend that the Board approve BOI's requests to the Board for revocation of its CPG and withdrawal of its pending tariff.
10. Approval by the Board and successful completion by BOI of the terms of this Stipulation and its exhibits shall represent full settlement of claims currently pending between the Department and BOI.
11. Approval by the Board and successful completion by BOI of the terms of this Stipulation and its exhibits shall preclude any subsequent DPS action against BOI based on any acts, omissions, conduct and/or practices by BOI that were or could

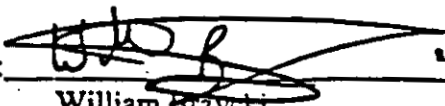
have been alleged or investigated by the Department in this Docket based on knowledge or information in the Department's possession prior to the execution of this Stipulation; however,

- a. Nothing in this Stipulation shall be construed to preclude any subsequent DPS investigation, litigation, request for penalties and/or any other inquiries whatsoever into BOI based on any acts, omissions, conduct and/or practices by BOI occurring at any time subsequent to the date on which this Stipulation is executed by the DPS;
 - b. Nothing in this Stipulation shall be construed to preclude the DPS from assisting any Vermont consumers in obtaining appropriate credits or other resolution of complaints against BOI based on any acts, omissions, conduct and/or practices by the Company occurring at any time prior to the date on which this Stipulation is executed by the DPS; and,
 - c. Nothing in this Stipulation waives the rights of Vermont consumers to file suit (or pursue any other available remedies) to obtain credits or other resolution relating to complaints against BOI based on any acts, omissions, conduct and/or practices by the Company occurring at any time prior to or after the date on which this Stipulation is executed by the DPS.
12. This Stipulation shall not be construed by any party or tribunal as having precedential impact on any future proceeding involving the parties, except as necessary to implement this Stipulation or to enforce an Order of the Board resulting from this Stipulation.

13. If the Board does not approve the Stipulation in its entirety, without material modification, the Stipulation shall be null and void, of no further force and effect and all negotiations and proceedings connected therewith should be without prejudice to the rights of either BOI or the DPS.

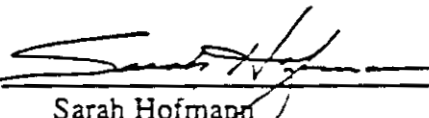
BOI COMMUNICATIONS OF VERMONT

Date: 9/12/02

By: 
William Brzycki
Corporate Affairs
Business Options, Inc.

DEPARTMENT OF PUBLIC SERVICE

Date: 9/18/02

By: 
Sarah Hofmann
Special Counsel
112 State Street
Drawer 20
Montpelier, VT 05620-2601
(802) 828-3088

ILLUSTRATIVE SAMPLE DISCONTINUANCE OF SERVICE LETTER

IMPORTANT INFORMATION REGARDING YOUR TELEPHONE SERVICE: READ AT ONCE

**EFFECTIVE _____, YOUR LONG DISTANCE SERVICE WILL BE DISCONTINUED
UNLESS YOU CHOOSE A DIFFERENT PROVIDER BY THAT DATE**

As a result of a settlement with the Vermont Department of Public Service, your current service provider, Old Company, is ceasing its business in Vermont. As a result of this discontinuance, you will no longer have access to long distance service effective _____ unless you take action prior to that time to select another carrier.

On the date of discontinuance, Old Company will close your account. At that time, you should be unable to make any long distance calls unless you either choose a new provider or use a dial-around service.

Warning: Sometimes this kind of discontinuance can result in calls being carried at a much higher rate by a carrier you did not choose. Therefore it is very important that you choose another carrier before the date of discontinuance passes.

To choose another long distance carrier: Select your carrier of choice and call that company to pick a rate plan and set up your account. You can also choose a new carrier by calling your local phone company, but unless you contact the long distance carrier directly, you will not get the benefit of any discounted rate plan and will pay a default rate that is probably higher than necessary.

The Status of Your Account with Old Company

As a result of Old Company's agreement with the Department of Public Service, any unpaid charges for services you received from Old Company from [date] through the date of the discontinuance will be written off and you will not need to pay them. In addition, within the next 90 days, Old Company will refund in full any charges you paid during the period, including any fee for carrier change you may have incurred through your local telephone company.

If you have any questions about these credits and refunds, call Old Company's customer service representatives at [Toll-Free Number]. If you are unable to reach a satisfactory resolution of any billing problem with Old Company, you may also call the Department of Public Service's Consumer Hotline at 1-800-622-4496 (or by TTY at 1-800-734-8390).

ATTACHMENT G

ILLUSTRATIVE SAMPLE DISCONTINUANCE OF SERVICE LETTER

IMPORTANT INFORMATION REGARDING YOUR TELEPHONE SERVICE: READ AT ONCE

**EFFECTIVE _____, YOUR LONG DISTANCE SERVICE WILL BE DISCONTINUED
UNLESS YOU CHOOSE A DIFFERENT PROVIDER BY THAT DATE**

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ATTACHMENT H

STATE OF VERMONT
PUBLIC SERVICE BOARD

STATE OF VERMONT
DEPT OF PUBLIC SERVICE
MONTPELIER, VT.
05626-2501

Nov 7 3 06 PM '02

Docket No. 6729

Petition of Vermont Department of Public)
Service for a Board investigation and sanctions)
against Business Options, Inc. for alleged)
violation of Vermont statutes and Public Service)
Board Rules and Orders)

Order Entered: 11/7/2002

I. INTRODUCTION

In this Proposal for Decision, I recommend that the Vermont Public Service Board ("Board") approve the Final Stipulation for Resolution of All Outstanding Matters ("Stipulation") entered into by the Vermont Department of Public Service ("DPS" or "Department") and Business Options, Inc. ("BOI" or "Company").

II. BACKGROUND

On June 13, 2002, the Department filed a petition with the Board requesting an investigation into the practices of BOI, injunctive relief, fines and penalties, and revocation of BOI's Certificate of Public Good ("CPG"). A hearing on the preliminary injunction was held on August 1, 2002. At the hearing, the affidavit of Deena L. Frankel, Director for Consumer Affairs and Public Information at the Department, outlining the business practices of BOI, was admitted into evidence. BOI was not present at the hearing. A Preliminary Injunction was issued by the Board on August 28, 2002. The Preliminary Injunction ordered BOI to: (1) cease all marketing to Vermont consumers until BOI had an effective Board-approved tariff; (2) suspend all disconnection activities for Vermont customers; (3) suspend all billing and collection activities for all current or past customers; and (4) cooperate with the Department in any plans for the migration of existing BOI customers to other carriers.

On September 24, 2002, a Stipulation, executed by the Department and BOI, was filed

with the Board resolving all remaining issues between the parties. The Department filed the prefiled testimony of Deena L. Frankel on October 2, 2002. Ms. Frankel's testimony explains why approval of the stipulation between the Department and BOI is in the public interest and should be approved by the Board. Having received no objection by any party, the testimony is admitted.¹

I report the following findings of fact to the Board in accordance with 30 V.S.A. § 8.

III. FINDINGS OF FACT

1. BOI was issued Certificate of Public Good No. 249-R ("CPG") by Board Order dated June 25, 2001 ("Order"), authorizing BOI to provide intrastate telecommunications services in Vermont. Order of 6/25/96.²
2. BOI's most recent tariff on file with the Board has an effective date of August 10, 1996. BOI has neither filed nor sought Board approval for tariff revisions to include its current service offerings. Exh. DPS-1 at ¶ 5.
3. BOI has both marketed and sold certain intrastate calling services in Vermont without an approved tariff. Exh. DPS-1 at ¶ 5.
4. The lack of an effective tariff for BOI came to the Department's attention in early April 2002, when it began investigating the Company in response to an influx of consumer complaints. The Department has received 16 consumer complaints against BOI since March 29, 2002, out of a customer base of approximately 200. Exh. DPS-1 at ¶ 4.
5. The Company, having been made aware by the Department of the need for a valid tariff, and having indicated on April 2, 2002, that it will "add pages to (its) current tariff," has not filed the requisite tariff revision with the Public Service Board. Exh. DPS-1 at ¶ 5.

1. BOI signed the Stipulation and cooperated with the DPS. However, BOI did not attend the hearing on the preliminary injunction and never entered a response to the Petition or Motion filed by the Department. If BOI objects to the admission of the prefiled testimony, BOI may present the objection as part of any comments it may file on this proposal for decision.

2. *Petition of Business Options, Inc. for a Certificate of Public Good to operate as a reseller of telecommunications services with the State of Vermont*, CPG No. 249, Order entered 6/25/96.

5. The Vermont Secretary of State's Corporations Division corporation registration records show the status of BOI as "inactive," a status it obtains after five years following termination of its registration for failure to file annual reports as required by 11A V.S.A. § 15.01. A business entity providing services in Vermont and subject to its registration requirements should have an "active" status. Exh. DPS-1 at ¶ 6.

6. BOI has engaged in deceptive business practices in the marketing of its services to Vermont consumers. Exh. DPS-1 at ¶ 11.

7. BOI marketers misrepresented themselves and the purpose of the sales contact in order to induce Vermont consumers to switch their primary intrastate and/or interstate service provider to BOI, in violation of Consumer Protection Standard 5, Docket 5903, Order of 7/2/99, Attachment 2, at 2, and 9 V.S.A. § 2451 et seq. Exh. DPS-1 at ¶¶ 3-5, 11.

8. BOI has failed to provide Vermont consumers with an accurate written confirmation of a customer's service order describing requested services and associated rates no later than the first billing cycle following a customer order in violation of Consumer Protection Standard 2, Docket 5903, Order of 7/2/99, Attachment 2, at 1. Exh. DPS-1 at ¶ 12.

9. BOI represented to the Department that it has stopped all marketing in Vermont pending resolution of the Department's investigation. Exh. DPS-1 at ¶¶ 8, 9.

10. BOI's third-party verification procedures for preferred carrier changes failed to provide clear and unambiguous notice of a toll-free number that consumers could call to verify that a requested carrier change had been implemented, in violation of Board Rules 4.702(A)(2)(c)(5)(c) and 4.703(A)(2)(c)(5)(c). Exh. DPS-1 at ¶ 13.

11. BOI has not filed a disconnection notice for Board approval. Exh. DPS-1 at ¶ 14.

12. BOI has indicated that several consumers' service has been disconnected for unspecified reasons. BOI has not made clear to the Department whether BOI initiated the disconnection process for reasons other than consumer requests to terminate service, which would be a violation of Board Rules 3.302 and 3.402. Exh. DPS-1 at ¶ 15.

13. BOI is a reseller whose customer calls ride on the Qwest network. In the event BOI disconnects a customer by cancelling his or her account, but does not also simultaneously block the customer's calls from going out over the network, it is possible that the customer will be

billed by the underlying carrier (Qwest) at high basic or casual rates. This possibility is increased when a customer receives no written notice that his or her service is being cancelled. Exh. DPS-1 at ¶ 16.

14. BOI has engaged in the unauthorized change of a consumers' telecommunications carrier. Exh. DPS-1 at ¶¶ 4, 17.

15. In complaints wherein the Department has determined an unauthorized change in service had occurred, BOI has been unable to accurately calculate the amounts billed to its Vermont customers for purposes of refunding amounts paid, or determining amounts which need to be credited. BOI communicated to the Department that its billing system has "been known to be wrong at times" and "prices on the bills were not even close to what (was) shown in the computer." Exh. DPS-1 at ¶ 18.

16. BOI and the Department have reached a resolution of all outstanding matters in this proceeding. That resolution is memorialized in the Stipulation. Frankel pf. at 2.

17. The Stipulation releases Vermont customers from any responsibility for charges rendered outside an approved tariff. The Stipulation also sets forth the process for cessation of services by BOI to Vermont customers, and provides for the surrender by BOI of its CPG once all the other conditions of the Stipulation are satisfactorily met. Frankel pf. at 3-4.

18. The Stipulation remedies the harm that has been done to consumers in the past and ensures against any future harm. Frankel pf. at 4.

19. The Stipulation provides restitution to all BOI customers. The Stipulation provides that BOI will: (1) reimburse customers for any casual billing charges incurred through an inadvertent default to BOI's underlying carrier; (2) refund customers the full amount of charges collected since January 1, 2002; and (3) credit customers any unpaid charges since January 1, 2002. By making consumers whole, those who were harmed by BOI's actions will be fully compensated. In addition, the Stipulation provides that BOI will file a report within ninety (90) days of cessation of service including: (1) the number of customers affected; (2) the total amount of refunds issued; and (3) the total amount of credits issued. Frankel pf. at 5; Stipulation at 2-3.

20. The Stipulation also provides the Department with significant control over the transition of customers away from BOI to an alternative carrier, including a customer notification

letter and compensation to customers who are casually billed. Frankel pf. at 5; Stipulation at Attachment A.

21. The surrender of the CPG by BOI, once the terms of the Stipulation have been fulfilled, eliminates the need for future monitoring or enforcement of BOI's activities in the state. Frankel pf. at 5.

22. The Stipulation is straightforward, effective, and minimizes the need to expend further regulatory resources. Frankel pf. at 4.

23. Both parties agree to the resolution outlined in the Stipulation. Stipulation at 5.

IV. DISCUSSION

Telecommunications companies, including resellers of telecommunication services, have to abide by the laws of the state of Vermont as well as Federal mandates. The evidence in this docket clearly shows that BOI has engaged in practices that violate Vermont Statutes and Board Rules. The question now presented to the Board is whether or not the Stipulation executed by the parties is a remedy in the public good, given the violations that have occurred.

BOI has engaged in a number of practices that harm Vermont consumers. For example, BOI has been offering services to and serving Vermont customers without a Board-approved tariff for the services being offered, has engaged in misleading practices in obtaining Vermont customers, has inaccurately billed customers, and has improperly changed customers' primary interexchange carrier. All of these are serious charges. However, it appears that BOI, as evidenced by the Stipulation, has cooperated with the Department in an attempt to remedy the problems caused by its actions.

The Stipulation provides a solution that is in the public interest. The Stipulation ensures the harm to consumers is remedied directly, and also protects against future harm. The Stipulation requires that BOI refund to current and former Vermont customers all amounts previously collected since January 1, 2002. It also requires that BOI credit amounts previously billed but not collected and to refrain from billing amounts not already billed. Additionally, it prevents future harm in that consumers have a remedy if they are billed casual rates because of migration problems.

The Stipulation also gives the Department greater control over the migration of customers to an alternate carrier. BOI will be following the federal procedure, set forth in 47 C.F.R. § 63.71, for the process of terminating service to customers. The text of the notification letter to customers must be approved by the Department and will include strong language advising consumers of the potential problems they may face if they ignore the notice and fail to change carriers. There are also provisions to ensure that customers not bear the costs of casual billing at higher rates that could occur in the migration.

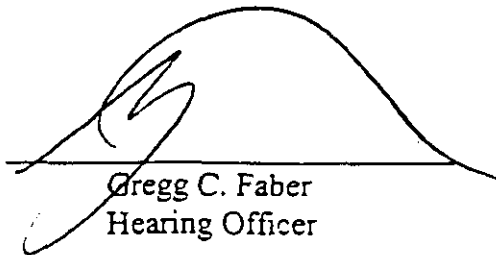
Finally, the Stipulation provides for BOI to surrender its CPG once the terms of the Stipulation have been satisfactorily fulfilled. It also provides accountability. BOI must provide a report on the number of customers affected, the amount of refunds, and the amount of credits. While all of this is occurring, the Preliminary Injunction issued on August 28, 2002, will remain in effect which will continue to protect Vermont consumers.

The Stipulation is in the public's interest because it is a fair, equitable and efficient resolution of all of the issues outstanding at this time. Customers are compensated directly for any harm caused by BOI's actions, no future harm to Vermont consumers should occur, and the ultimate revocation of BOI's CPG eliminates the need to spend future resources on monitoring this Company.

I recommend that the Board approve the Stipulation reached by the Department and BOI, and that the docket remain open to monitor compliance with the Stipulation and this Order until BOI's CPG is revoked by this Board.

A Proposal for Decision pursuant to 3 V.S.A. § 811 has been served upon the parties to this case.

Dated at Montpelier, Vermont, this 31st day of OCTOBER, 2002.



Gregg C. Faber
Hearing Officer

V. BOARD DISCUSSION

On October 25, 2002, the Department filed comments on the Hearing Officer's Proposal for Decision. The Department requested that the finding of fact numbered five on page two of the proposal for decision be omitted. This finding states that BOI, after being notified of its tariff deficiencies, did not file the requested tariff revisions. The Department's comments noted that while this finding, which is based upon Department Exhibit DPS-1, was true at the time it was entered into evidence, BOI did attempt to change its tariff after that date. The Department also noted that it supported the proposal for decision in all other respects.

The Board agrees with the Department that the finding in question should be omitted from the final Order. The finding was based upon the Department's testimony. The Department now believes that portion of the evidence to be incorrect. In addition, the omission of the finding will have no substantive affect upon the decision as a whole. Therefore, the Board accepts all of the proposed findings of the Hearing Officer, with the exception of finding number five on page two of the proposal for decision.

VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Vermont Public Service Board that:

1. The findings and recommendation of the Hearing Officer, with the exception of finding number five on page two, are adopted.
2. The Final Stipulation for Resolution of All Outstanding Matters entered into by the Vermont Department of Public Service and Business Options, Inc., is approved and the conditions and agreements set forth in that Stipulation are hereby made a part of this Order. The Stipulation is attached as Appendix A.
3. The Preliminary Injunction issued on August 28, 2002, shall remain in effect until all actions and approvals contemplated by the Stipulation are completed.
4. This docket shall remain open to monitor compliance with the terms set forth in the Stipulation.

DATED at Montpelier, Vermont, this 7th day of December, 2002.

Matt Hansen
[Signature]
John D. Beebe

PUBLIC SERVICE
BOARD
OF VERMONT

OFFICE OF THE CLERK

FILED: November 7, 2002

ATTEST: Susan M. Gibson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.

ATTACHMENT I

112 STATE STREET
DRAWER 20
MONTPELIER VT 05620-2601
TEL: (802) 828-2811



FILE COPY

FAX: (802) 828-2342
TTY (VT): 1-800-734-8390
e-mail: vidps@psd.state.vt.us
Internet: http://www.state.vt.us/psd

STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE

November 19, 2002

Mr. William Brzycki
Business Options, Inc.
8380 Louisiana Street
Merrillville, IN 46410

Re: Docket No. 6729

Dear Mr. Brzycki:

As you know, the Board issued its Final Order in this docket on November 7, 2002. That Order requires BOI to take certain actions within specific time frames. Obviously the Board's Order and the applicable federal law is the final word on what must be done and when, however, I thought it might be helpful to summarize the Board's Order into a list of the actions required and any time frames that apply. This will give each of us a concise checklist to use during this transition process. I have added questions or requests, in italics after the action required, for which the Department would like BOI to respond. The summary is as follows:

1. November 7, 2002 - Initiation of discontinuance process:
 - a. Upon Board approval of the settlement, BOI was to initiate the procedure outlined in 47 CFR § 63.71 for terminating service to Vermont customers who are currently being served by BOI (47 CFR § 63.71 also mandates such notice to the PUC, Governor and the U.S. Secretary of Defense). Our agreement calls for BOI to send notice to the affected customers in the form of the letter that was attached to the Stipulation. *Questions: The Department assumes that BOI has initiated the discontinuance process, however, in the event BOI has not done so, on what date does BOI intend to send the notice of discontinuance?*
 - b. Recipients of the notice have 15 days from receipt to file objections with the FCC.
2. Upon notice of discontinuation to customers:
 - a. BOI shall file application for discontinuance with the FCC. *Request: Please provide a copy of this application for discontinuance to the Department.*

November 19, 2002

- b. The application is granted if the FCC does not act by the 31st day following filing.
3. Upon the date cessation of service is effective:
 - a. BOI will submit PIC changes or other action to ensure that no customer's service will default to BOI's underlying carrier, Qwest.
 - b. BOI will fully reimburse any consumer who is billed by Qwest, as a result of any failure of the measures described in 3a above, plus pay the consumer \$100.
4. By February 5, 2003 - Consumer remediation
 - a. BOI shall refund to Vermont consumers all amounts paid to BOI since January 1, 2002.
 - b. BOI shall credit Vermont consumer's accounts for any previously billed or unpaid balances by any Vermont consumer since January 1, 2002.

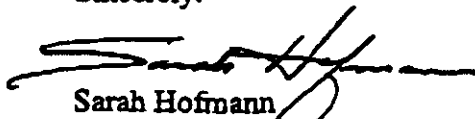
Question: By what date certain does BOI plan to begin issuing refunds and credits? Consumers are likely to call the Department's Consumer Affairs Division once the refunds and/or credits begin. By knowing in advance what BOI is doing, the Department can easily and effectively answer consumer's questions.
5. Within 90 days of the date on which BOI ceases service to Vermont consumers, BOI shall file a report with the Department that includes the following information:
 - a. the number of customers affected
 - b. the total amount of refunds issues, and
 - c. the total credits issued
6. Upon completion of the migration of customers and the fulfillment of all the other obligations imposed on BOI by the settlement and Board's Order, BOI will request revocation of its Certificate of Public Good No. 249-R issued on June 25, 1996 and will withdraw any pending tariffs, if any. If all obligations have been fulfilled, the DPS will recommend that the Board grant BOI's request.
7. Ongoing obligations:
 - a. BOI ensures there will be no future billing of Vermont customers in any form.
 - b. BOI ensures that no negative credit reports will be made in the future with respect to any Vermont customer, and will take whatever steps necessary to rescind any negative reports that have been made in the past.

November 19, 2002

The Department thanks BOI for its cooperation to date and hopes that the cooperation will continue through this final phase of the docket. Progress reports on where BOI is at in fulfilling the various Settlement/Order provisions would be very helpful to completing the process. However, if I do not hear from you, I will contact you for updated information.

Please feel free to call me if you have any questions.

Sincerely,



Sarah Hofmann
Special Counsel

cc: Amy Dixon

ATTACHMENT J

RECEIVED & INSPECTED
DEC 27 2002
FCC - MAILROOM

**For Authority Pursuant to
Section 214 of the Communications
Act of 1934, as Amended, to
Discontinue the Provision of
Resold Long Distance Interexchange Service to
Customers in the State of Vermont**

Business Options, Inc. ("Business Options, the "Company", or the "Applicant"), hereby seeks authorization pursuant to section 214 (a) of the communications Act of 1934, as amended (the Act), 47 U.S.C. § 214, and section 63.71 of the Commission's Rules, 47 C.F.R. § 63.71, to discontinue its provision of resold long distance interexchange service in the state of Vermont.

1. Business Options is a long distance interexchange carrier focused on high quality service to residents and small businesses. Business Options has customers in forty-six (46) states, offering telecommunication services. The Applicant's principal place of business is: 8380 Louisiana Street, Merrillville, Indiana 46410.

2. **Business Options** was granted authority to provide long distance interexchange services in Vermont on March 18, 1996. Since receiving its long distance interexchange authorization from the regulatory agencies in that state, the Applicant has served predominantly residents. Currently, **Business Options** provides resold long distance service to approximately 200 customers in Vermont. All long distance interexchange offerings are provided out of the Applicant's Tariff. With respect to the services to be discontinued, **Business Options** is considered a non-dominant carrier.

3. **Business Options** intends to withdraw all long distance interexchange services throughout the state of Vermont.

II. DESIGNATED CONTACTS

4. All correspondence, notices and inquiries regarding this Application should be addressed to:

Lisa Green, Regulatory Expansion Officer
Tariffs & Regulatory Compliance
Business Options, Inc.
8380 Louisiana Street
Merrillville, Indiana 46410
Telephone: (219) 756-5320
Fax: (219) 756-0718
Email: lgreen@ebuzz.bz

III. REASON FOR REQUEST TO DISCONTINUE LONG DISTANCE SERVICE

6. **Business Options, Inc.** requests authority to withdraw from the long distance resale in the state of Vermont. **Business Options** has reevaluated its long distance business plan and has concluded that it is in the Company's best interest, at this time, to streamline its service offerings in Vermont.

The Applicant's request to withdraw its long distance services from Vermont is a strategic business decision that is based upon the Company's plans for future growth.

IV. PROCESS FOR DISCONTINUANCE

A. Customer Notification

7. Business Options is in a strong financial position to ensure that its current customers are seamlessly transitioned to another long distance provider, and the Company commits to assisting the transition of its long distance customers to another provider of their choice.

8. Business Options has developed a comprehensive customer notification plan that will ensure a seamless transition for its current long distance customers. The initial customer notice letter has been sent to customers and is attached as Exhibit A. as we did not know of the FCC requirements to send the letter out pursuant to 63.71. We are requesting a waiver not to reissue the notification letter. Please consider that Business Options is not a dominate carrier, our letter has all the information requested by the state of Vermont, and another letter would only create customer confusion and delay , and our ability to restructure.. The customer notification has informed customers of the proposed withdraw by Applicant. Business Options does not intend to sell its customer list to any long distance provider, but will allow the customer to select a new service provider of their own preference. Business Options also has provided customers with its toll-free customer assistance number for purposes of addressing any questions or concerns that may arise during the withdraw transition period.

9. **Business Options has given its customers 15 days from the day they received our notification letter to choose another long distance provider and protest our request for discontinuance Business Options has every intention of assisting current customers in any way we can, to avoid any inconveniences that may occur through this transition.**

V. TIMEFRAME

10. **Business Options intends to discontinue providing long distance service to customers in Vermont as soon as it has satisfied the requisite regulatory procedures established by the regulatory agency in that state. Based on the state discontinuance requirements, Business Options estimates that long distance service will be discontinued on December 21, 2002. As noted herein, Business Options will provide the customer with enough time and information for them to choose another carrier of their own choice. Over half of our customers have already called to cancel our services, based on their own judgements, prior to receiving our notification letter on December 10, 2002. Business Options is requesting a waiver to complete our discontinuance without having to renotify customers according to FCC regulations. As stated herein, Business Options has sent a notification letter to all Vermont customers on December 10, 2002.**

VI. CONCLUSION

On December 20, 2002, the Applicant submitted a copy of this application to the Secretary of Defense and the Public Utility Commission and Governor of the State in which the discontinuance is proposed.